INFO	LOG-00	AF-00	AID-00	AMAD-00	CIAE-00	INL-00	DODE-00
	DS-00	DHSE-00	UTED-00	VCI-00	H - 0.0	TEDE-00	INR-00
	LAB-01	MOFM-00	MOF-00	VCIE-00	DCP-00	NSAE-00	ISN-00
	OIG-00	NIMA-00	PM-00	GIWI-00	ISNE-00	DOHS-00	SSO-00
	SS-00	NCTC-00	FMP-00	SCRS-00	PMB-00	DSCC-00	PRM-00
	DRL-00	NFAT-00	SAS-00	FA-00	SWCI-00	PESU-00	SANA-00
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UNCLAS ASUNCION 000576

E.O. 12958: N/A

TAGS: PGOV PREL MCAP PA BL

SUBJECT: GOVERNMENT ACCEPTS BOLIVIAN ASSURANCES ON ARMS PURCHASES

REF: ASUNCION 561

- ¶1. (U) Leading daily ABC Color reported September 11 that Bolivian and Paraguayan Foreign and Defense Ministers held a 2+2 meeting in Asuncion September 10 to discuss a pending controversial Bolivian USD 100 million arms purchase. According to ABC, Bolivian Foreign Minister Choquehuanca confirmed that Bolivian arms are not being purchased to attack Paraguay, but to strengthen Bolivian armed forces to fight poverty, drug trafficking, and terrorism. Paraguayan Defense Minister Bareiro Spaini told ABC that he was "fully satisfied" by the Bolivian minister's explanations.
- 12. (U) While the official position is that Bolivian assurances are sufficient, most members of Congress and even some government ministers are skeptical. Senate President Miguel Carrizosa rejected Bolivia's explanation of poverty alleviation "unless they are thinking of distributing bullets to the needy." Likewise, Defense Minister Spaini canceled a trip to Ecuador to hold widely publicized military meetings to discuss spending and organizational changes within the context of the planned Bolivian purchases. Paraguayan Foreign Minister Hector Lacognata, citing a South American arms race, said Paraguay may need to buy more weapons in response to its neighbors' actions.
- 13. (SBU) COMMENT: There is a broad, but unofficial, public consensus that Bolivian arms purchases are a threat to Paraguay. Political attacks on Bolivia's intentions will likely continue as politicians curry popular support. Despite these concerns, no drastic changes are expected to Paraguay's basic defense policy or spending, although a slight uptick is possible. The current GOP total defense budget is only USD 11 million annually. END COMMENT.

AYALDE